

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor’s Legislative Team

at MileHighOrdinance@DenverGov.org by **3:00pm on Monday**. Contact the Mayor’s Legislative team with questions

Date of Request: July 2, 2018

Please mark one: Bill Request or Resolution Request

1. Type of Request:

- Contract/Grant Agreement Intergovernmental Agreement (IGA) Rezoning/Text Amendment
- Dedication/Vacation Appropriation/Supplemental DRMC Change
- Other: Certificate of Participation Lease Purchase Financing Transaction

2. Title: (Start with *approves, amends, dedicates*, etc., include name of company or contractor and indicate the type of request: grant acceptance, contract execution, contract amendment, municipal code change, supplemental request, etc.)

Authorizes the Manager of Finance, on behalf of the City, to enter into a Lease Purchase Agreement under which the Trustee will execute and deliver Series 2018A Certificates of Participation in a par amount not to exceed \$129,000,000 for the purpose of funding the Colorado Convention Center Expansion Project.

3. Requesting Agency: Department of Finance

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Michelle Johnson	Name: Michelle Johnson
Email: michelle.johnson2@denvergov.org	Email: michelle.johnson2@denvergov.org

5. General description or background of proposed request. Attach executive summary if more space needed:

The proposed ordinance authorizes the City to enter into a Lease Purchase Agreement with a Leasing Trust and to allow the Trustee, on behalf of the Leasing Trust, to execute and deliver an amount not to exceed \$129,000,000 of Certificates of Participation, Series 2018A. The City will lease into the Trust a portion of the Colorado Convention Center which it will continue to occupy. See Executive Summary for additional details.

6. City Attorney assigned to this request (if applicable): Laurie Heydman, Kwali Farbes

7. City Council District: Citywide

8. **For all contracts, fill out and submit accompanying Key Contract Terms worksheet**

To be completed by Mayor’s Legislative Team:

Resolution/Bill Number: BR18 0736

Date Entered: _____

Key Contract Terms

Type of Contract: (e.g. Professional Services > \$500K; IGA/Grant Agreement, Sale or Lease of Real Property): Certificate of Participation (COP) Lease Purchase Financing Transaction

Vendor/Contractor Name: N/A

Contract control number: N/A

Location: COP proceeds will fund improvements at the Colorado Convention Center (Council District 9)

Is this a new contract? Yes No **Is this an Amendment?** Yes No **If yes, how many?** _____ N/A

Contract Term/Duration (for amended contracts, include existing term dates and amended dates): Term of the 2018A COPs not to exceed 30 years

Contract Amount (indicate existing amount, amended amount and new contract total): N/A

<i>Current Contract Amount</i> (A)	<i>Additional Funds</i> (B)	<i>Total Contract Amount</i> (A+B)
<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>

Scope of work: N/A

Was this contractor selected by competitive process? The COPs will be sold in a negotiated process with underwriting firms selected via a competitive RFP process.
If not, why not?

Has this contractor provided these services to the City before? Yes No N/A

Source of funds: N/A

Is this contract subject to: W/MBE DBE SBE XO101 ACDBE N/A

WBE/MBE/DBE commitments (construction, design, Airport concession contracts): N/A

Who are the subcontractors to this contract? N/A

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CITY AND COUNTY OF DENVER

DEPARTMENT OF FINANCE

BRENDAN J. HANLON
MANAGER OF FINANCE

201 W. COLFAX AVE.
DEPT. 1010
DENVER, COLORADO 80202

Executive Summary

An Ordinance to Authorize Execution and Delivery of Series 2018A Certificates of Participation and Lease Purchase Transaction

The proposed ordinance authorizes the Manager of Finance to enter into a Lease Purchase Agreement under which the Trustee will execute and deliver up to \$129 million of Certificates of Participation (COPs), Series 2018A for the purpose of funding the Colorado Convention Center Expansion Project.

Financing Structure

The Series 2018A Certificates of Participation will be executed and delivered under a lease purchase structure. The City intends to enter into a Facilities Lease with the Leasing Trust, pledging a portion of the Colorado Convention Center rooftop expansion. The Leasing Trust will then lease back to the City the same property under an annually renewable Lease Purchase Agreement, and the City will continue to occupy and use the facilities without interruption.

The term of the COPs will not exceed 30 years. The par amount and interest rate will be determined on the day of pricing and costs associated with the transaction will be paid for by the proceeds of the COPs. The COPs will be sold in a negotiated process with underwriting firms selected via a competitive RFP process.

The Series 2018A COPs will have an annual lease payment of approximately \$8.5 million, subject to annual appropriation. The expected sources of funds for the annual lease payment are: 1) a portion of the tourism tax revenues generated from the Tourism Improvement District (\$3.8 million/year); 2) Facilities Development Admission tax ("seat tax") collected at the Colorado Convention Center (\$1.2 million/year); and 3) excess revenues generated at the Colorado Convention Center Hotel (\$3.5 million/year).

If the City fails to appropriate the lease payment, the Trust can take possession of the lease of the facilities for the benefit of the Certificate holders. Neither the Lease nor the COPs constitute a multiple year fiscal obligation of the City.

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Revised 03/02/18